

**Town Council Minutes  
Morehead City, North Carolina**

**Tuesday, March 11, 2014**

The Honorable Council of the Town of Morehead City met in Regular Session on Tuesday, March 11, 2014, at 5:30 p.m., in the Municipal Chambers located at 202 South 8<sup>th</sup> Street, Morehead City, North Carolina. Those in attendance were:

MAYOR:	Gerald A. Jones, Jr.
MAYOR PRO-TEM:	George W. Ballou
COUNCIL:	William F. Taylor
	Demus L. Thompson
	Harvey N. Walker, Jr.
	Diane C. Warrender
CITY MANAGER:	David S. Whitlow
CITY CLERK:	Jeanne M. Giblin
CITY ATTORNEY'S OFFICE:	Nelson W. Taylor, III; Derek Taylor; Mike Thomas
OTHERS:	Public Works Director David McCabe; Lou Wilson; Don Gray; Crystal Hesmer; Mark Hibbs, Reporter, THE CARTERET NEWS TIMES; Sidney Horton; Ken Wood; Kelly Urban; Zach Perez; Fire/EMS Chief Jamie Fulk; Police Major Bernette Morris; Holly Fletcher; Selena Beebe; Keri McCann and several others

**I. Regular Meeting Call to Order, Invocation and Pledge of Allegiance**

Mayor Jones called the meeting to order at 5:30 p.m. Councilman Thompson gave the invocation and all joined in The Pledge of Allegiance.

**II. Adoption of the CONSENT AGENDA:**

**II.A. Approval of Minutes: Tuesday, February 11, 2014 – Regular Meeting  
Thursday, February 27, 2014 – Special Meeting/  
Work Session**

*Approved the minutes of Tuesday, February 11, 2014, Regular Meeting and Thursday, February 27, 2014, Special Meeting/Work Session and dispensed with the reading.*

**II.B. Approve the Requests for Release of Overpayment of Ad Valorem Taxes for February 2014, in the amount of \$1,729.37; and Accept the Tax Collector and Finance Director Reports for February 2014**

*Approved the requests for the release of overpayment of ad valorem taxes for February 2014, in the amount of \$1,729.37; and accepted the Tax Collector and Finance Director Reports for February 2014. [The above financial reports are attached to and made a part of these minutes by reference.]*

**II.C. Adopt Resolution 2014-11 Endorsing Military Appreciation Day and**

**Authorizing Action Necessary for the Event to be held on Friday & Saturday, May 30 and 31, 2014, on the Morehead City Waterfront [Jaycee Park] and City Park**

The first Military Appreciation Day [MAD] started in the former Raps Restaurant on May 21, 2006, and has since grown to include a good portion of downtown Morehead City. Military Appreciation Day is an event dedicated to a day of fishing, food and live entertainment for active duty military, guard and reserve members and their families. The Public Works Committee of the Council reviewed the request at their last meeting and recommended approval.

*Adopted Resolution 2014-11 Endorsing Military Appreciation Day [MAD] and authorized action necessary for the event to be held on Friday and Saturday, May 30 and 31, 2014, on the Morehead City Waterfront and City Park. [Resolution 2014-11 is attached to and made a part of these minutes herein by reference.]*

**II.D. Adopt Resolution 2014-12 Endorsing the Big Rock/Blue Marlin [Crystal Coast Tournaments] Fishing Tournament and Authorizing Action Necessary for the Event to be held June 6 through June 14, 2014, on the Morehead City Waterfront**

This is the 56<sup>th</sup> year for this sportsfishing tournament which promotes conservation and raises money for charities and worthwhile community projects. Since 1988, the tournament has donated over \$2.33 million to charities. The request is much the same as previous years with the exception of not needing Jaycee Park for the usually held barbeque on Sunday, June 8<sup>th</sup>. The Public Works Committee of the Council reviewed the request at their last meeting and recommended approval.

*Adopted Resolution 2014-12 Endorsing the Big Rock/Blue Marlin [Crystal Coast Tournaments] Fishing Tournament and Authorized Action Necessary for the Event to be held June 6 through June 14, 2014, on the Morehead City Waterfront. [Resolution 2014-12 is attached to and made a part of these minutes herein by reference.]*

**II.E. Adopt Ordinance 2014-08 Repealing Ordinance 2014-04 and Adopt Ordinance 2014-09 Amending the Morehead City Code of Ordinances, Chapter 13, Police, by Adding Section 13-9 Authorizing the Morehead City Police Department to seek state access to SBI/DCI Criminal Record Information for use in making recommendations on the suitability of a person or of a location for an ABC [Alcoholic Beverage Control] Permit**

At the January 14<sup>th</sup> Council Meeting, Ordinance 2014-04 granting the Morehead City Police Department the ability to access criminal history information for ABC Permits was adopted by the Council. Unfortunately, according to the North Carolina Department of Justice, the proper procedures for this ability to access state records were not correctly followed. Therefore, the Council is requested to adopt Ordinance 2014-08 which will repeal Ordinance 2014-04.

At the same time, the Council is requested to adopt Ordinance 2014-09 allowing the Morehead City Police Department the same privilege to access state criminal records for ABC Permits, however, this ordinance will follow the correct filing procedures.

*Adopted Ordinance 2014-08 Repealing Ordinance 2014-04 and Adopted Ordinance 2014-09 Amending the Morehead City Code of Ordinances, Chapter 13, Police, by Adding Section 13-9 Authorizing the Morehead City Police Department to seek state access to SBI/DCI Criminal Record Information for use in making recommendations on the suitability of a person or of a location for an ABC [Alcoholic Beverage Control] Permit. [Ordinance 2014-08 and Ordinance 2014-09 are attached to Ordinance Book #7 in the vault.]*

**II.F. Approve Morehead City Fire/EMS Donation of \$2,200 to the East Carolina University [ECU] Brody School of Medicine for Breast Cancer Research and Treatment**

The Morehead City Fire/EMS Department sold pink Fire Department T-shirts this year in an effort to raise money for breast cancer awareness and research. This event was a huge success raising \$2,200. The Fire/EMS Department would like to donate this money to the East Carolina University [ECU] Brody School of Medicine in Greenville, N.C. and requests the Council's approval for this endeavor.

*Approved the Morehead City Fire/EMS donation of \$2,200 to the East Carolina University [ECU] Brody School of Medicine for breast cancer research and treatment.*

**II.G. Adopt FY 2013/2014 Budget Ordinance Amendment 2014-10 to Adjust the Central Services Budget for Legal Services and the Fire/EMS Budget for the T-Shirt Project and to Re-class Payment from Carteret County for Fire/EMS Services**

The purpose of Budget Ordinance Amendment 2014-10 is to increase the Central Services budget for legal services by \$60,000 and decrease Contingency by the same amount. This amendment does not change the total of the General Fund budget. In the Fire/EMS budget, the purpose of this amendment is to recognize donations of \$5,200 from the pink T-shirt project and appropriate the same amount as restricted for Fire/EMS Special Programs and to re-class payment from Carteret County for Fire/EMS services provided by the City to the Mitchell Village/Crab Point Fire/EMS Districts to Charges for Services from Restricted Intergovernmental Revenue from ad valorem and sales taxes due to change by Carteret County in the method of paying for services. The Finance and Administration Committee of the Council reviewed this request and recommended adoption.

*Adopted FY 2013/2014 Budget Ordinance Amendment 2014-10 to Increase the Central Services budget by \$60,000 for legal fees and to update the Fire/EMS Budget. [Budget Ordinance Amendment 2014-10 is attached to Ordinance Book #7 in the vault.]*

**II.H. Award Contract for 2014 Street Improvements Project to Sunland Builders, Inc. in the amount of \$338,589**

At the last Public Works Committee of the Council meeting a bid tab and recommendation of award for drainage and street improvements for the 200 Block of North 13<sup>th</sup> Street and San Juan Circle; and patching and resurfacing on Savannah and Raleigh Avenues, Business Drive and North 25<sup>th</sup> Street were presented to the Committee for review. The bid opening was Thursday, February 13, 2014, with three [3] bids received [copy attached]. The apparent low bidder was Sunland Builders, Inc. in the amount of \$338,589.00.

Powell Bill funds will be the sole source for funding and are sufficient to cover the cost of the project. Because of weather extremes that have been experienced since laying out the project for bidding, City staff is anticipating minor change order needs related to patching and asked that the Public Works Committee recommend to Council authorization necessary for the City Manager to approve change orders when needed.

*Awarded the contract for drainage and street improvements for the 200 Block of North 13<sup>th</sup> Street and San Juan Circle; and patching and resurfacing on Savannah and Raleigh Avenues, Business Drive and North 25<sup>th</sup> Street to Sunland Builders, Inc., in the amount of \$338,589 and authorized the City Manager to process change orders as necessary. [The bid results are attached to and made a part of these minutes herein by reference.]*

**II.I. Approve Emergency Medical Service [EMS] Billing Service Agreement with EMS Management & Consultants, Inc. for the Morehead City Fire/EMS Department**

Removed to Item IV.A. New Business.

**II.J. Approve a Software Agreement Contract with ESO Solutions for the Morehead City Fire/EMS Department**

Removed to Item IV.B. New Business.

***Councilman Thompson requested to remove Items II.I. & II.J. from the CONSENT AGENDA and placed under Item IV. New Business.***

***Councilman Ballou MOVED, seconded by Councilman Thompson, and carried unanimously, to adopt the CONSENT AGENDA except for Items II.I. & II.J. which were placed under Item IV. New Business.***

**III. Citizen Requests/Comments:** There were no citizen requests or comments.

**IV.A. New Business: Approve Emergency Medical Service [EMS] Billing Service Agreement with EMS Management & Consultants, Inc. for the Morehead City Fire/EMS Department**

For some time the Town of Morehead City has contracted with emergency medical services billing agencies for ambulance service billing. The City is considering switching to EMS Management & Consultants, Inc. to provide billing for our ambulance services. The City has not been satisfied with the follow-up from our current billing company due to:

- They do not pursue doing full billings, and
- They never write-off any of the uncollectable bills.

It is believed that EMS Management & Consultants, Inc. will be more efficient and better suited to City business. They are the largest billing company in terms of clients in North Carolina. The Public Safety Committee of the Council recommended approving the contract with EMS Management & Consultants, Inc.

Councilman Thompson questioned the necessity for the change.

Fire/EMS Chief Jamie Fulk replied for better reporting and that the software incorporated with the proposed billing company is more advanced.

Councilman Thompson reported that many years ago the City never charged for ambulance service, however, the fees were instituted some years ago because it was felt that the Morehead City taxpayers should not be burdened with ambulance service charges if they were not responsible for the service call. Because the Council was concerned about people who could not afford to pay the ambulance service fee when it was initially instituted the Council requested the billing company send only one bill and a follow-up bill. At that time the Council thought there would be a backlash of objections for the ambulance service charge, however, the backlash never occurred.

Fire/EMS Chief Fulk explained that when his Department receives calls from people who cannot pay for the ambulance service, the Fire/EMS Department refers them to the billing company which sets up a procedure for the payments. With our current billing company, the complaint has been that the patients were unable to make contact with the company to set up the arrangements. The current company is not providing the services for which they were contracted. The City feels it can get better service from the proposed billing company and their software will give the Fire/EMS Department additional software implementations.

Councilman Thompson still had concern for those individuals who could not afford to pay for ambulance service and wanted the proposed company apprised of this.

Fire/EMS Chief Fulk stated that the City could set up any billing arrangement preferred with the company. The City used this proposed company in the past and changed to the current company in 2008.

Councilman Ballou commented that the City bills three [3] times.

Fire/EMS Chief Fulk replied that the billing company will not contact a collector unless specifically requested. If the company does not receive payment they will not go to an aggressive collector.

Upon a question regarding interest payment, City Manager Whitlow explained that this is a soft billing system. The City has a lack of confidence in the current company. If the current company gets a wrong address there is no follow up. The Fire Department employees have found themselves checking for incorrect addresses. There is a large

amount of money which is not being collected, and information is not forthcoming from the current firm which means that the City cannot write off the debts.

The Council discussed the 5% charge on uncollected debts.

Fire/EMS Chief Fulk advised that the City can set up the program in any way preferred. The object is to continue the same billing procedure, however, the City and the patients want and need better access to the company.

Councilman Thompson commented that he was not against the change, he just wanted clarification.

Councilman Taylor questioned if the City were able to check to see if the nonpayment bills were from truly indigent individuals.

City Manager Whitlow replied that that has been part of the problem with the current billing company because information of that type is not being provided.

***Councilman Thompson MOVED, seconded by Councilman Walker, and carried unanimously, to approve an Emergency Medical Services [EMS] billing service agreement with EMS Management & Consultants, Inc.***

#### **IV.B. New Business: Approve a Software Agreement Contract with ESO Solutions for the Morehead City Fire/EMS Department**

In order to move forward with the new EMS billing services agreement with EMS Management & Consultants, Inc., it is necessary to change the Morehead City Fire/EMS Department's current software provider, Colleton Software, to ESO Solutions. The Morehead City Fire/EMS Department is requesting this change in an effort to enhance revenues and financial reports and to upgrade to software that is much more user-friendly. The Public Safety Committee of the Council reviewed the proposed contract and recommended approval.

Councilman Taylor stated he would prefer to review all of the procedures that will be used.

City Manager Whitlow commented that the proposed agreement needs to be acted on this evening.

Councilman Taylor commented that he was satisfied as the contract can be modified within 90 days of approval.

***Councilman Ballou MOVED, seconded by Councilman Walker and carried unanimously to approve a software agreement contract with ESO Solutions to provide software services for the Morehead City Fire/EMS Department.***

#### **V. City Manager's Report:**

**V.A. Request from Lou Wilson of Arts & Things to hold Artists Painting “In Plen Air” the Third Saturday of Each Month Beginning in April at the Marlin Fountain on the Jib Site**

City Manager David Whitlow reported that Lou Wilson of Arts & Things on the Morehead City Waterfront requested the use of the area around the Marlin Fountain on the Jib site for an art event consisting of 10 – 12 [maximum] artists painting “in plen air” from 10 a.m. to 4 p.m. beginning the third Saturday of each month starting in April until autumn as the weather permits. The artists would have easels [some will have umbrellas and small tables] and painting equipment. No tents and no electricity would be allowed or needed. The artists would be able to sell their work. Also there is the possibility for acoustic, non-invasive music during those hours. The staff at Arts and Things would be responsible for the organization and policing of the area to be sure that nothing is damaged during the time span. Also, for safety reasons, it is requested that the Shepherd Street portion of the fountain area be blocked to traffic during the painting hours.

Ms. Lou Wilson stated that the artists would like to have their art stacked around them for the opportunity to sell.

Mayor Jones commented he saw no problem with the artists placing their artwork for sale.

***Councilman Walker MOVED, seconded by Councilman Taylor, and carried unanimously, to approve the use of the Marlin Fountain Jib Site by artists painting “in plen air” the third Saturday of each month from 10 a.m. to 4 p.m. beginning in April 2014, and continuing until autumn as the weather permits under the organization of Lou Wilson of Arts and Things on the Morehead City Waterfront.***

**V.B. City Manager’s Report: Adopt Resolution 2014-14 In Support of a Change in the Local Option Sales Tax Distribution for Carteret County**

City Manager Whitlow reported that over the past several months, Morehead City was involved in discussions with Beaufort and Newport regarding the method of distribution of sales tax. As Carteret County presently distributes the sales tax using the ad valorem values, the non-oceanfront communities receive a lower portion of the tax than if the population method were applied. Another way to collect is by population. The non-oceanfront towns have been consistent in their position with regard to this decision, as the feeling has been that any change in the formula creates losers as well as winners and we are concerned that an aggressive request for a particular change might create some animosity among the municipalities.

The resolution, drafted by the Town of Beaufort, simply requests that the county examine this issue to determine whether another method might be more appropriate given today’s conditions. The resolution asks the county to take a look at how they distribute revenues.

Councilman Thompson commented that in his estimation the county would receive less money if the population method was used. He questioned the county agreeing to receive less revenue. He stated the resolution was difficult for him to support as he felt

that the municipalities should work to soothe relationships between the different towns with regard to this.

Councilman Walker questioned how much more money would it mean for Morehead City and was it going to be worth competing with other municipalities.

City Manager Whitlow replied that this was why the resolution doesn't request a preferred method; it is just requesting the county to review this item. As to how much revenue, it could range from \$200,000 to \$300,000 in Morehead City with equates to a penny to a penny and a half in the City's real estate rate.

Councilman Taylor commented that the proposed resolution was a generic resolution and that it causes no harm to have the county look at a more equitable way to distribute the sale tax.

Councilman Thompson commented he agreed with the way the municipalities were approaching the request.

Mayor Jones concurred that this resolution cites a soft position and he could not remember the last time the county reviewed the sales tax distribution method, certainly not within his tenure. Morehead City is just joining with other mainland towns in this request.

***Councilman Taylor MOVED, seconded by Councilman Walker, and carried unanimously to adopt Resolution 2014-14 in Support of a change in the local option sales tax distribution for Carteret County.*** [Resolution 2014-14 is attached to and made a part of these minutes incorporated herein by reference.]

#### **VI. Council Requests/Comments:**

Councilwoman Warrender commented that she has a new neighbor who has boat. She reported that the neighbor was told by another person that the South 11<sup>th</sup> Street water access could not be used by boats over 16 feet. She said it was her understanding that if you can carry the boat from the parking lot to the beach you can place it in the water there. There are no restrictions except it is a hand launch area only.

#### **VII. North Carolina Eastern Regional Development Trust Funds [NCER] Interest Free Loan Through Carteret County for the Downtown Morehead City Water Access Project [Jib Plaza]**

City Manager Whitlow reported Carteret County was somewhat reluctant to move forward with the closing on the loan proceedings for the North Carolina Regional Development Trust Funds. The funding must be applied for by a county entity, however, Morehead City will use the funds and repay the county. The loan proceedings need approval by the Local Government Commission [LGC] with a closing date on the loan of June 3<sup>rd</sup>, however, there is a need to close by June 1<sup>st</sup> in order to complete the proceedings before June 30<sup>th</sup> which is the end of this opportunity. The county has agreed that Morehead City will make a side agreement by which Morehead City will make good on any costs of the loan such as legal fees, initiation fees, etc., even if the City does not obtain the loan.



City Manager Whitlow explained the funding available through the North Carolina Eastern Regional Development Trust Funds [NCER] would help pay for the next phase of the jib project. . He estimated that the figure of \$607,000 was the cost for this phase of the jib program and recommended tapping into this Eastern Alliance [Eastern Carolina Economic Program] to fund \$407,000 for the project. [The City has previously made application for a CAMA grant in the amount of \$200,000.] The application has a June 30<sup>th</sup> closing date, the funds if not requested would revert back to the state. The funding for the \$407,000 would be in the form of a five [5] year loan with 0 percent interest. The payment for Morehead City would be \$81,000 a year for five [5] years.

***Councilman Ballou MOVED, seconded by Councilman Walker, and carried unanimously, to make application through Carteret County for the North Carolina Eastern Regional Development Trust Funds [NCER] interest free loan for the Downtown Morehead City Water Access Project [Jib Plaza] and to enter into an agreement with Carteret County to pay for any costs of the loan proceedings.***

**VIII. CLOSED SESSION as per G.S. 143.318.11[a][3] to Approve the CLOSED SESSION MINUTES of Tuesday, January 14, 2014, and Thursday, February 27, 2014, and to Receive an Update on the Martin vs. Town of Morehead City Litigation from the City Attorney**

**Councilwoman Warrender MOVED, seconded by Councilman Walker, and carried unanimously, to enter into CLOSED SESSION.**

***Councilwoman Warrender MOVED, seconded by Councilman Walker, and carried unanimously, to return to OPEN SESSION.***

***Councilman Walker MOVED, seconded by Councilman Taylor, and carried unanimously, to approve and seal the CLOSED SESSION MINUTES of Tuesday, January 14, 2014, and Thursday, February 27, 2014.***

**IX. Adjournment**

There being no further business, the meeting adjourned at 7:30 p.m.

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Gerald A. Jones, Jr., Mayor

Attest:

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Jeanne M. Giblin, City Clerk